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Gaining a Competitive Advantage

Connecticut is going through an entrepreneurial renaissance. This renewed spirit and focus on innovation will help our businesses, workers and public institutions make the changes necessary to compete in this high-speed global economy. And, the need for rapid change is as great for traditional manufacturers, service industries, government agencies and educational institutions as it is for the high tech firms that are driving the New Economy.

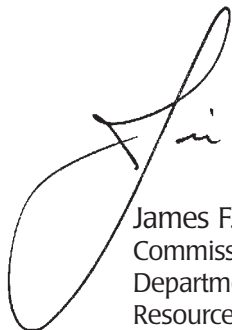
This is what the industry cluster initiative is all about!

The Governor's Council on Economic Competitiveness and Technology oversees the implementation of Connecticut's industry cluster initiative. This report highlights the significant progress that has occurred since the Council's first meeting 18 months ago.

The purpose of industry cluster economic development is to bring about changes that help Connecticut gain a competitive advantage. We will accomplish this by nurturing and leveraging the strengths of Connecticut's businesses and residents, and by removing constraints that limit their competitive potential.

Removing constraints and moving quickly to capitalize on our strengths requires private and public sector leaders to collaborate in new ways and to change the nature of the dialogue between them. This is exactly what the industry cluster initiative stimulates, as the progress report shows.

The strong commitment and generous support of the Governor and legislators, combined with the uniquely high level of personal involvement of business leaders, provide the impetus that is making the Connecticut industry cluster initiative a national model.



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Industry Cluster Progress Report

June 2000

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For more information about Connecticut's Economic Competitiveness Strategy, visit our
web site: www.decd.org

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A. Cluster Activation

Executive Summary

Importance to Connecticut's Competitiveness Strategy

Importance to Connecticut's Competitiveness Strategy Cluster activation is a critical first step toward realizing the potential of an industry group as an engine of economic growth. Clusters are activated when companies in related industries come together formally as an organized industry cluster. Working with each other and with the public sector in a spirit of collaboration and cooperation, cluster members become more innovative, more productive, and therefore, more competitive. Corporate leaders initiate cluster activation and drive the clusters' activities. The public sector's role is to support and facilitate cluster activation.

Progress

- ◆ BioScience, Aerospace Components Manufacturers and Software/Information Technology clusters are up and running.
- ◆ Metals Manufacturing Cluster has received approval for activation.
- ◆ The Department of Economic and Community Development has provided seed funds totaling \$575,000 to the three clusters activated to date and has leveraged over \$1 million in in-kind matches and private investment.
- ◆ Connecticut maritime companies, working with Michael Gallis, have completed a study of Connecticut's maritime industry. The group has also formed the Connecticut Maritime Coalition (CMC) to act as the cluster's organizational center and form partnerships among all sectors of the industry.

- ◆ The advisory board for the Agriculture/Aquaculture Cluster has selected a consultant and is creating a strategic plan. The Seafood Cluster is currently participating in this process.
- ◆ Connecticut's Plastics Council has received DECD approval to launch a strategic planning project.

Challenge

- ◆ Maintain each cluster's forward momentum while refining the program support elements appropriate to each one's developmental stage.
- ◆ Meet the state's goals by identifying and providing special attention required by key clusters.
- ◆ Build capacity and manage growth of each cluster and the number of active clusters.
- ◆ Identify the outcome metrics to be applied to the cluster program.

See following pages for details.

1. BioScience Cluster

Corporate leaders from pharmaceutical companies and biotechnology firms led the activation of Connecticut's BioScience Cluster in the fall of 1998, and today continue to guide its activities and initiatives.

DECD has committed \$300,000 and leveraged over \$700,000 of private investment for the BioScience Cluster.

CURE, the cluster's organizational center, has been managing Connecticut's BioScience Cluster for more than 18 months and continues to make progress on its long-term plan. Currently, 93 Connecticut organizations are members of CURE. They include educational and research institutions, biotechnology and pharmaceutical corporations, hospitals and health care systems, as well as professional societies, voluntary health organizations and many other supporters and partners.

Connecticut's BioScience Cluster is poised for international success. Cluster initiatives have succeeded in positioning Connecticut as a BioScience location to be considered alongside Maryland, Massachusetts, New Jersey, New York and North Carolina. News media regularly mention Connecticut in biotechnology articles. Recent record-breaking stock market successes for Connecticut-based, publicly traded biotech companies provide further recognition of the state's BioScience promise.

In 1998, a survey of seven Connecticut biotechnology companies revealed that their R&D expenses grew 44 percent, triple the national average, and total employment grew 41 percent, nearly five times the national average. And Connecticut is now home to the research and development headquarters of the world's largest pharmaceutical company.

Called "a national role model in the making" by cluster initiative pioneer Michael Porter, Connecticut's BioScience Cluster is ready to take advantage of the opportunity to make the state a global leader in biotechnology.

Goals and action steps

Goal 1: Build a critical mass of BioScience companies that will collaborate, compete and become self-perpetuating and self-sustaining.

Action Steps

- ◆ Co-sponsored BioHaven, one of a series of informational and networking seminars for the BioScience industry. Held at Yale University in January 2000, BioHaven attracted almost twice as many participants as previous events.
- ◆ Published its *Fifth Annual Economic Report* in March and distributed 2,500 copies to public- and private-sector stakeholders.

Goal 2: Incorporate best practices and key data from competing states, state cluster members and related clusters.

Action Steps

Obtained a \$3 million, five-year funding package for the Connecticut BioBus, a state-of-the-art mobile biotechnology laboratory. Connecticut Innovations will provide \$1.5 million, and members of CURE will provide the other \$1.5 million. BioBus will visit Connecticut middle and high schools beginning next year. It will encourage students to pursue careers in BioScience by providing them with exciting, hands-on scientific experiences.

- ◆ Sponsored BIO2000, which was held in Boston in March 2000 and attracted more than 11,000 participants.
- ◆ Provided three briefings for members of the Connecticut General Assembly and two for congressional staff members.
- ◆ Defined, recommended and provided financial estimates on additional business incentives/policies for legislative presentation.
- ◆ Provided testimony on drug pricing and BioBus at three public hearings before the state Legislature.

Goal 3: Develop an entrepreneurial and innovative workforce through powerful and interactive role models.

Action Steps

- ◆ Publicized the CURE web site to educators through distribution of 5,000 mouse pads.
- ◆ Finalized and posted on the web site the teachers' guide for the risk-assessment issue of *BioRAP*, an educational resource for middle school students and teachers.
- ◆ Convened human resource managers from

BioScience companies for three meetings to define hiring barriers and identify potential solutions.

Goal 4: Publicize and promote the critical mass, related career opportunities, socioeconomic contributions and potential of the BioScience industry.

Action Steps

- ◆ Distributed (from Boston to Baltimore) 6,000 brochures promoting the BioScience industry in Connecticut.
- ◆ Implemented a drive-time radio campaign, airing 500 spots over a 10-week period.
- ◆ Disseminated eight press releases featuring cluster milestones and growth.

Local and State Involvement

Both state and local agencies and organizations actively support the priorities of the industry cluster initiative as they are identified. Two examples are the BioScience Facilities Fund and the recent Pfizer expansion.

BioScience Facilities Financing

One of the first recommendations made by the BioScience Cluster was the establishment of a BioScience Facilities Fund to be used to underwrite the development of incubator and laboratory space in the state.

The General Assembly responded, and during the 1998 session, enacted legislation that has resulted in a \$40 million fund for that purpose. The fund is administered by Connecticut Innovations, which is responsible for a number of funds and programs dedicated to encouraging the growth of high technology industries in the state.

Progress

To date, requests have been made to Connecticut Innovations for financing or related assistance involving the development of approximately 211,000 square feet of wet laboratory space. Connecticut Innovations is in the process of underwriting or has closed on loans totaling \$20.6 million. Beneficiaries of this program to provide access to capital have included the full spectrum of Connecticut biotech companies:

- ◆ Publicly traded Neurogen Corporation of Branford had been landlocked. However, through the BioScience Facilities Financing initiative, the company was able to purchase and commence laboratory fit-out of an adjacent commercial structure. As a result of this investment, the company will be able to grow by another 130 employees.
- ◆ Genaissance Pharmaceuticals, Inc. has accessed funding to grow into one of the anchor tenants in Science Park. Genaissance is expanding rapidly and has just completed one of the largest private

placements ever among BioScience companies –\$60 million – to support research in its new laboratory facilities.

- ◆ A Connecticut developer working in conjunction with the Bayer Corporation has developed top-flight synthetic chemistry laboratory space in a new 20,000 square foot building. A research unit of Bayer will occupy the space for at least four years, after which Bayer may relinquish the space for occupancy by an emerging company. This Woodbridge facility has the capacity to house about 60 scientists.
- ◆ PhytoCeutica, Inc. of New Haven is about to begin laboratory and related improvements to Building 5 in Science Park and plans to move into its new home in late summer.
- ◆ Two new companies, Cellular Genomics, Inc. and Ikonyosis, Inc., are operating in interim lab spaces in Science Park. These labs, which were financed by the BioScience Facilities Fund, were developed to provide transitional space for new companies. Once Ikonyosis moves into its permanent space in a newly renovated building in Science Park, its labs will be available to incubate another small startup.

In addition to substantial additions to the state's wet lab space inventory, a new managing director of Project Finance has been added to the Real Estate Finance staff, adding professional real estate financing expertise to Connecticut Innovations' technology domain expertise.

Pfizer Expands into New London

Pfizer is a research-based global health care company. Its Central Research Division is headquartered in Groton.

Executives from Pfizer have been active participants in Connecticut's industry cluster initiative from the start. They soon recognized that the state was truly committed to improving the competitiveness of Connecticut companies and, therefore, ensuring the economic well being of Connecticut residents.

This was one of the reasons Pfizer, which could have expanded anywhere in the world, chose to build its new \$270 million Global Development Facility in nearby New London. When complete, the new facility will employ thousands of additional skilled scientists, technicians and support staff and include a parking garage, employee cafeteria, employee health facility, conference facilities and more.

Pfizer's expansion is also expected to attract scores of other BioScience-related firms, generating synergy that will lead to the growth of the BioScience Cluster in Connecticut.

DECD, the Department of Environmental Protection (DEP), the Connecticut Development Authority (CDA) and the City of New London have made significant commitments to the project. Some of the results of these commitments were the initial preparation of the Pfizer site (a former brownfield), the creation of a new state park, an upgrade to the wastewater treatment facility, the development of the nearby Fort Trumbull Peninsula and the restoration of the historic Fort Trumbull.

2. Aerospace Components Manufacturers (ACM)

In July 1999, a core group of aerospace components manufacturers launched the Aerospace Components Manufacturers (ACM) cluster. ACM's goal is to strengthen Connecticut's aerospace cluster by improving the productivity, knowledge, skills and operating costs of the sub-tier supplier community.

ACM developed and is now engaged in a two-year plan aimed at achieving worldwide recognition as a premier source of aerospace components. Through DECD support, a new, nonprofit 501(c)(6) organization has been formed to manage the group's programs under the direction of a six-member board of directors, all of whom are company presidents.

DECD's investment of \$125,000 has been leveraged by 80 percent with private dollars.

ACM's program has four main elements: progressive manufacturing, workforce development, business practices and special projects. Each is planned and managed by teams of representatives from member companies.

Goals and action steps

Goal 1: Progressive Manufacturing Practices: Learn and train in lean manufacturing methods as adapted to the small business sector.

Action Steps

- ◆ Created a Progressive Manufacturing Team with members from 13 companies. The team meets monthly to promote peer-to-peer mentoring and schedule improvement events.
- ◆ Executed more than 70 progressive manufacturing training events at member companies utilizing local, national and international experts. Over 500 employees at 14 member

companies have used these kaizen events to continuously improve manufacturing practices. Topics covered include set-up reduction, defect reduction practices, 6S evaluations, "Lean Train the Trainer," tool and fixture standardization, one-piece flow, process mapping, cellular assembly, inventory reductions and other continuous improvement tools.

- ◆ ACM members have made "survey visits" to new member companies to help them identify areas of improvement.
- ◆ Developed and piloted a "Lean 101" seminar that illustrates the principles of lean for shop staff and employees. To date, ACM has trained over 400 employees at eight member companies in the principles of lean manufacturing.
- ◆ Created a lean "road map" to assist companies in their lean journey.
- ◆ Arranged with the world-renowned Shingijustu Group of Japan to lead improvement events for ACM member companies.

Goal 2: Workforce Development: Create and manage a standing curriculum for raising the general manufacturing competency of the incumbent workforce.

Action Steps

- ◆ Created a self-sustaining Workforce Development Team with members from seven companies. The team meets monthly to schedule training, select training providers and monitor program progress.
- ◆ ACM has completed or is currently conducting 21 manufacturing skill courses involving more than 250 employees from 11 member

companies. Courses offered include shop mathematics, blueprint reading, root cause analysis, geometric tolerancing, heat treating, metallurgy, cutting theory and operator certification.

- ◆ ACM will continue this valuable training throughout 2000, with over 36 courses scheduled to begin in the third quarter 2000. Planned courses include shop math, blueprint reading, geometric dimensioning and tolerancing, team building, root cause analysis, problem solving, CNC programming, operator certification, ISO and heat treating/metallurgy.

Goal 3: Business Practices for Competitive Enterprises: Establish vehicles for learning and implementing modern methods to improve the commercial productivity of small companies, e.g., implementing ISO processes and/or selective consolidated purchasing.

Action Steps

- ◆ Created a Consolidated Purchasing Team with members from 10 companies. The team focuses on procuring industry-specific maintenance, repair and operating supplies based on the common needs of cluster members.
- ◆ Signed four purchasing agreements for the procurement of machining inserts, round tooling, abrasives tooling and gage calibration services. These programs are designed to reduce both “hard” and “soft” procurement costs at member companies using negotiated pricing, inventory consolidation and reduction methodology. A portion of the volume discount rebates generated through these programs will be used to fund ACM’s operations past the two-year startup phase.

- ◆ Plan to implement at least two additional purchasing programs in 2000. These programs will consist of oils/coolants supply and fluid waste disposal. Future programs will include raw material procurement, office/shipping supply products, high-speed internet access and information technology support.

Goal 4: Special Projects/Organization: Tasks focused on managing the growth of the group, e.g., member recruitment, communication vehicles, marketing/promotional activities and market analysis/studies.

Action Steps

- ◆ Recruited 27 ACM members to date.
- ◆ Created marketing materials to aid in member recruitment.
- ◆ Published and distributed a four-color marketing brochure and companion presentation that highlights the advantages of sourcing aerospace components to the Connecticut cluster. This brochure includes profiles highlighting the capabilities and competencies of individual member companies.
- ◆ Attracted two new major gas turbine engine manufacturers to source components to ACM members and the cluster. Contact with at least one additional aerospace customer is expected during the third quarter 2000.
- ◆ ACM publishes a regular bi-weekly newsletter and calendar of events.
- ◆ Launched the ACM web site (www.acm-ct.org).

3. eBizCT: A Partnership of Software/IT and Internet Companies

The Connecticut Technology Council took the leadership role in organizing and activating this cluster through its membership and a statewide recruitment effort. The Council submitted a proposal to DECD to manage the cluster and all of its activities, including administrative, research and technical support, as well as providing a director to implement the strategies outlined in the plan. The plan called for DECD's \$150,000 investment to be matched by industry support from the Technology Council. The proposal was accepted, and the cluster, now called eBizCT: A Partnership of Software/IT and Internet Companies, was officially chartered in October 1999 and held its official kick off in April.

Vision

eBizCT's vision is to make Connecticut one of the top 10 nationally recognized locations for vibrant and growing software and information technology companies.

The long-term goals for eBizCT are to strengthen the software, Internet and e-commerce industry in Connecticut; to promote its growth, visibility and ability to compete in a global market; and to support the e-business strategies of all Connecticut companies by:

- ◆ Enhancing industry identity and serving as a voice for the software/IT, Internet and e-commerce companies in Connecticut.
- ◆ Promoting the attractiveness of Connecticut as a place for the location, growth and development of information technology companies.
- ◆ Providing a forum for sharing business and technical experience among industry professionals.
- ◆ Supporting members in marketing their products and services worldwide.

- ◆ Supporting the growth and development of new software/IT companies through networking, referral and counseling of startups and first-stage companies.

Positioning High Tech Connecticut: A Critical Priority

The foremost priority for eBizCT was determined to be the positioning of Connecticut as one of the top 10 nationally recognized and preferred locations in the United States for the development and growth of software/IT companies and their related support services. The successful branding and positioning of Connecticut as one of the nation's "hot spots" for the software industry would increase their productivity due to the positive impact on the companies' ability to have a vital impact on the software/IT cluster in several ways:

1. Recruit senior management
2. Attract capital
3. Acquire market share
4. Form partnerships and strategic alliances

To address this goal, the Managing Board has formed a Marketing Subcommittee charged with conducting the preliminary research needed for a national positioning campaign and recommending an implementation plan.

In addition, eBizCT has embarked on a marketing program focusing on the strengths of Connecticut software/IT companies, including the following:

1. Co-sponsored the first information and technology trade show and exposition focused on the software/IT industry in Connecticut. Hartford ITEC, held June 6 and 7, attracted more than

3,000 senior managers to presentations from 100+ software companies at the Connecticut Expo Center, as well as to seminars, conferences and roundtables of CIOs, CEOs and telecommunications directors. A keynote breakfast hosted by Governor Rowland featured a presentation on the New Economy. The presentation attracted over 200 attendees and focused the attention of policy-makers, the press and senior management on this industry segment.

2. Designated June 1-7 as "E-commerce Week" in Connecticut.
3. Placed stories in the *Hartford Business Journal* and *The Hartford Courant* focusing on the software/IT cluster.
4. Promoted eBizCT priorities on-air through three Connecticut radio stations. Ran 60 radio spots promoting Hartford ITEC during the two weeks preceding the show.
5. Collaborated on an e-commerce summit in Stamford aimed at identifying the obstacles to growth of this sector.

Supported intensifying the image campaign for Connecticut as a desirable location for e-business companies.

Progress

- ◆ In October 1999, two prominent professionals in the industry accepted leadership positions in the cluster. Connie Galley, CEO and President of Mercator Software, became chair, and James Perakis, former CEO and Chairman of Hyperion, accepted the post of vice chair. The announcement of their participation focused attention on one of the largest industry clusters in the state and began creating awareness of the importance and viability of the software/IT industry to the state's economy.
- ◆ In conjunction with its goal of creating a robust pipeline of people well trained in software/IT and related disciplines, the Connecticut Technology Council presented an industry-sponsored conference called "Educating Students for Tomorrow's Workforce." More than 150 executives from Connecticut's major high tech firms and educational institutions attended the October event, which resulted in the creation of action plans by task groups during the conference.
- ◆ With the hiring of a full-time managing director on February 1, eBizCT began an aggressive campaign to unite and strengthen the software/IT, Internet and e-commerce companies in the state. A Managing Board is now leading this initiative. The board represents 10 leading software companies in the state and is complemented by public-sector officials: Commissioner of the Department of Economic and Community Development James Abromaitis; Chief Information Officer Rock Regan and Senate Majority Leader George Jepsen. The Managing Board of eBizCT has already met twice to focus on organizational goals and priorities.
- ◆ eBizCT has formed a research committee that has started to estimate the size of the software/IT cluster using research developed with CERC, the Gartner Group and the Connecticut Technology Council. Initial estimates show over 4,400 software/IT, telecommunications, Internet, e-commerce companies in the state, with over 72,000 employees.
- ◆ eBizCT has created a directory listing the major software/IT companies in the state. It is the best source in Connecticut for this information and was published in May.

- ◆ Provided supporting materials to the Connecticut General Assembly:
 1. eBizCT provided testimony to the Commerce Committee on the size and scope of the software/IT industry in Connecticut and offered insight on the potential impact of pending legislation.
 2. eBizCT worked as a convener between legislative leadership and software CEOs to ensure that pending legislation to support and grow the industry will have the desired effect.

Goals and action steps

Goal 1: Achieve national recognition of Connecticut as one of the top 10 locations for the software/IT industry in the United States through a national branding/positioning campaign focusing on these and other strengths:

- ◆ **Proximity to Key Markets:** Connecticut's software/IT industry – and its supporting telecommunications and networking infrastructure – is in proximity to the financial, health care, insurance and other business-to-business markets. Therefore, it is a natural place from which innovations and advances in e-commerce and Internet development are spawned.
- ◆ **Experience and Intellectual Base:** A decades-long tradition of developing and serving these markets – coupled with educational and professional resources unmatched nationally – has uniquely positioned Connecticut's burgeoning software/IT companies as the birthplace for a wide range of software developments targeted to the new economy of the information age.

- ◆ **Overseas Access:** The closeness of the world's second-largest software market, Europe, also favors the global expansion of Connecticut's software/IT industry.

Goal 2: Foster growth and collaboration within the industry and with other companies and organizations.

Action Steps

- ◆ Currently developing a web page for www.ebiz.com, linked to the Connecticut Technology Council's web page, www.ct.org. This will provide a central source of information on Connecticut's software/IT industry.
- ◆ Publishing the state's most comprehensive directory of software/IT companies, a subset of the *2000 Directory of Connecticut Technology Companies*. This will identify primary and secondary companies directly involved in this industry.

Goal 3: Create a robust pipeline of people well trained in software/IT and related disciplines.

Action Steps

- ◆ HR executives are meeting in small groups to identify and address specific strategies to meet their workforce needs.
- ◆ The Connecticut Technology Council has hired a new full-time director of workforce development who will work with cluster companies to identify present and future workforce needs and establish best practices in recruitment and retention. The workforce director will form alliances between Connecticut colleges and universities and

companies in order to develop and refine initiatives to meet industry workforce needs, and will facilitate the development of educational policies in the best interests of the software/IT cluster.

- ◆ Creation of a careers/job fair to be staged in the fall of 2000 to attract and to partner IT workers with Connecticut companies.

- ◆ Close to two dozen eBizCT companies exhibited their products and services at the Connecticut Technology Council's Annual Meeting in May.
- ◆ Increased membership of software/IT companies in eBizCT and representation of major Connecticut software firms on the advisory board will ensure the self-sufficiency of the cluster over a two-year period.

Goal 4: Grow the software/IT cluster; continue cluster activation and development

Action Steps

- ◆ Membership in eBizCT has increased by 30 percent to close to 150 companies since the announcement of the formation of the cluster organization. Membership continues to grow as eBizCT's mission and priorities are promoted and become well known.
- ◆ One-on-one counseling and referral to vital financial, accounting and legal assistance can help increase the number of startup companies in the software/IT sector and promote Connecticut's burgeoning software/IT industry. This in turn helps draw professionals to the state from throughout the tri-state area and the nation.
- ◆ Continued networking events, including an initial gathering of 300 software company senior executives in New Haven, participation in the Connecticut Venture Group's annual Crossroads Venture Fair and the Connecticut Technology Council's annual meeting of over 350 high tech companies, will provide further partnering opportunities for the software/IT cluster.

4. Metals Manufacturing Cluster

The Bridgeport Metals Manufacturing Alliance has received approval to activate a cluster organization. Identified as a potential cluster by the Initiative for a Competitive Inner City during a six-month research project, the group first became a workforce training group – the Metals manufacturing Education and Training Alliance (META) – which was funded under DECD's Connecticut Business Training Networks program in 1999.

After applying to become a cluster, the group also applied for a federal workforce training grant and recently was awarded \$1.7 million for a two-year project that will provide a range of training in new workplace technologies and manufacturing processes.

The cluster's first-year efforts will focus on introducing and implementing lean business practices, creating consolidated purchasing programs and launching a manufacturing skills-based incumbent worker education program. They also will collaborate with peer groups in other inner-city areas to determine appropriate paths for reaching critical mass and self-sustainability. A Waterbury metals manufacturing group has initiated formation of a peer planning organization and will link with the Bridgeport group once activated.

Progress

- ◆ Initial cluster group of 10 Bridgeport-area metals manufacturers grew from the Metals manufacturing Education and Training Alliance (META), a Connecticut Business Training Network launched with a \$10,000 grant. An organizational structure for the cluster has been established.

- ◆ The 10 firms are: (1) Alloy Engineering; (2) Automation Design Concepts; (3) Bead Industries; (4) The Bodine Corporation; (5) Boiler Repair & Welding Inc.; (6) Casco Products Corporation; (7) Fermont; (8) Frank Roth Co., Inc.; (9) Lacey Manufacturing and (10) U.S. Baird.
- ◆ META identified four critical areas to focus on: (1) workforce development; (2) lean manufacturing; (3) aggregated purchasing; and (4) marketing. Opportunities and programs in each major subject area have been identified/developed.
- ◆ DECD committed \$125,000 to fund the development of initial programs in the four identified areas above.
- ◆ \$1.7 million proposal approved by the U.S. Department of Labor for funding META's Workforce Development Training Programs.

Action Steps

- ◆ Complete detailed jobs profile and conduct a gap analysis to identify skill gaps.
- ◆ Apply for a Phase II CERC/CBIA Business Training Networks grant.
- ◆ Continue to work on aggregate purchasing opportunities with company purchasing managers.

Long-Term Goals

- ◆ Expand META's membership.
- ◆ Institutionalize META's organizational structure.
- ◆ Identify appropriate strategies for self-sufficiency (e.g. membership dues, fees for services, etc.).

5. Other Clusters

A. Maritime Cluster

The Connecticut Maritime Coalition (CMC), the cluster's organizational center, was formed in February to manage Connecticut's Maritime Cluster activities and initiatives. CMC's board of directors represents the top leadership of cluster members. The organizational concept of the CMC is to link private, public, environmental, military and institutional leadership and resources into a new partnership to strengthen Connecticut's maritime economy.

Maritime business leaders, working closely with DECD and CERC, engaged Michael Gallis to prepare a strategic report entitled "Strategic Maritime Cluster Initiative." This report provides a comprehensive framework for understanding and evaluating the Connecticut Maritime Cluster and outlines Connecticut's maritime strategy. This strategic approach to maritime economic growth engages all of Connecticut's maritime businesses in a phased implementation of activities. The benefits of these maritime activities are:

- ◆ Strengthens Connecticut's linkages to the global trade grid.
- ◆ Contributes to the revitalization of Connecticut's waterfront cities.
- ◆ Eases the congestion on Connecticut's I-95 corridor.
- ◆ Attracts/retains a skilled workforce in Connecticut.
- ◆ Helps to maintain/strengthen Connecticut's quality of life and its environment.

Other findings include:

- ◆ Four maritime industry components – transportation, manufacturing and services, recreation and commercial fishing – form the hub of the cluster's network of economic activity. Together, these components currently generate direct revenues in excess of \$2 billion in Connecticut.
- ◆ The cluster's four distinct components are all dependent on the marine ecosystem.
- ◆ The cluster has functional linkage to a wide range of other economic activities. It serves a broad customer base and affects every citizen of the state, either directly or indirectly.
- ◆ Many of Connecticut's cities are on the waterfront. Maritime plays a role in urban revitalization.
- ◆ Water-based transportation plays an important and vital role as one of the four principal means of moving goods (air, sea, road and rail) in and out of Connecticut. For passenger movement, water-based transportation moves over 2.3 million passengers and 400,000 vehicles throughout the region each year. Water-based transportation impacts Connecticut's interstate and transit network, including Connecticut's congested I-95 corridor.
- ◆ Connecticut's waterfronts provide the state with a remarkable amenity, which can be used to enhance the state's quality of life and, therefore, its economic future. While the state has extensive waterfront, it has limited public waterfront access. The recreational component of the Maritime Cluster can help Connecticut benefit from its location along the water's edge.

- ◆ Connecticut needs a policy that encourages the growth of the Maritime Cluster. The policy will help prioritize steps and help all sectors align their activities toward common goals.
- ◆ Unlike most other industries, maritime industries occupy sites where a variety of land, water and air-borne plant and animal species all come together. As a result, these sites and locations are heavily regulated. This has a powerful effect on the growth and development of all types of maritime activities.

Progress

- ◆ Scope and scale of the cluster defined and articulated.
- ◆ Vision, goals and objectives defined and adopted.
- ◆ Priority first-year cluster programs identified.
- ◆ Maritime Cluster report entitled “Strategic Maritime Cluster Initiative,” an outline of the maritime framework in Connecticut, developed by Michael Gallis & Associates.
- ◆ The Connecticut Maritime Coalition, Inc. (CMC) formed by industry leadership as the cluster’s organizational center.

Action Steps

- ◆ Create and initiate execution of a strategic plan for enhancing the Connecticut Maritime Cluster.
- ◆ Build membership via proactive marketing (i.e. presentations, executive-level sessions, one-on-one outreach and member referrals).
- ◆ Create and initiate execution of a maritime workforce development program for Connecticut.

- ◆ Validate the cluster and framework.
- ◆ Further define CMC, including its operations, schedules and initiatives.
- ◆ Initiate the strategic activities necessary to build and strengthen the Maritime Cluster.

B. Agriculture/Aquaculture Cluster

The industry-based advisory board has completed its search for a consultant to assist in creating a strategic plan for agriculture/aquaculture industry in Connecticut. An intense, four-phase planning effort was launched June 16 and is expected to be completed in August.

C. Seafood Cluster

The Seafood Council is participating in the strategic planning process of the Agriculture/Aquaculture Cluster advisory board.

D. Plastics Cluster

Connecticut’s Plastics Council has formed an industry-based cluster planning group. DECD has approved the council’s proposal to launch a strategic planning project. Council members are interviewing consultants to facilitate the planning process. They expect to launch the project in July and complete it within 60 to 90 days.

B. Manufacturing Resource Center

Executive Summary

Importance to Connecticut's Competitiveness Strategy

To compete successfully in the global economy, Connecticut manufacturers must achieve the efficiencies and cost reductions associated with lean manufacturing practices. Small and mid-sized companies need expert, affordable guidance to adopt and implement these processes in their workplaces.

Business leaders in the Manufacturing Cluster recommended the creation of a Manufacturing Resource Center to help companies gain access to the talent and support they need to become more competitive. CONN/STEP is that Manufacturing Resource Center. Manufacturing executives continue to shape and guide the center's activities and initiatives.

In addition to helping companies adopt lean manufacturing practices, the center provides them with assistance in advanced information technology.

Progress

Eight companies that have worked with the center report they have realized a net economic impact of more than \$7.9 million as a result. Among other activities during this period, the Manufacturing Resource Center held three major lean awareness and training events, attracting 113 participants from 54 companies. Staff also held more than 40 one-on-one sessions for management and staff of Connecticut companies. The center's outreach program to small manufacturers has resulted in contacts with 1,400 companies this fiscal year.

Challenge

Continuing to reach, educate and assist hundreds of Connecticut manufacturers in concepts and techniques critical to their survival and success.

See following pages for details.

Manufacturing Resource Center

The Manufacturing Resource Center was created in response to recommendations made by the Manufacturing Cluster. The center's mission is to increase the use of progressive, lean manufacturing processes and advanced technology among smaller manufacturers, in order to help them compete successfully in the global economy. The center is part of CONN/STEP. Representatives from the Manufacturing Cluster serve on the board of CONN/STEP to ensure its activities and initiatives are tied to business needs.

Progress

- ◆ A NIST (National Institute of Standards and Technology) review panel recently recognized CONN/STEP's program to help smaller manufacturers become ISO9000- certified as an exemplary model for the national network.

Progressive/Lean Manufacturing Practices

- ◆ Held three major lean awareness and training events with more than 113 attendees from 54 companies. In addition, held more than 40 one-on-one lean orientation sessions with management and staff of Connecticut manufacturing companies.
- ◆ Eight companies report they've achieved a net economic impact of more than \$7.9 million as a result of the center's assistance.
- ◆ Continued to support the Aerospace Components Manufacturers (ACM) Cluster by supplying a field engineer to its progressive manufacturing (lean) team and by providing guidance to the team's kaizen events and training initiatives.
- ◆ Contacted approximately 1,400 smaller manufacturers (up to nine employees) during this fiscal year through a telemarketing campaign.

- ◆ Identified manufacturers' critical business needs through a mail survey.
- ◆ CONN/STEP co-sponsored a major manufacturing event with the Manufacturing Alliance of Connecticut at their eighth annual dinner to promote the "Year of the Small Manufacturer" with more than 400 attendees.
- ◆ Increased center's ability to assist small manufacturers by adding two lean manufacturing specialists.
- ◆ Enhanced center's ability to reach out to businesses by engaging a marketing manager and marketing coordinator.

Advanced Information Technology

- ◆ Held 10 Y2K seminars and workshops for 126 organizations and 131 attendees.
- ◆ Completed 11 Y2K-related projects.
- ◆ Have 15 IT projects in progress worth more than \$250,000.
- ◆ Increased the information technology staff to four, enhancing our ability to provide companies with a strong understanding of IT and lean business process principles.

Action Steps

- ◆ By the end of the current fiscal year, CONN/STEP will have assisted 71 new companies with 83 formal lean projects.
- ◆ Complete a series of four e-commerce seminars and workshops during this fiscal year and plan 12 such seminars in fiscal year 2001.

C. Workforce Development

Executive Summary

Importance to Connecticut's Competitiveness Strategy

Executives serving on the original Industry Cluster Advisory Boards identified workforce development as the single most important factor in Connecticut's ability to compete over the long term.

To attract and retain businesses in key industry clusters, a region must offer an adequate pool of qualified workers. To compete in a technologically advanced marketplace, companies must ensure workers have the skills necessary to utilize sophisticated technology.

Connecticut has responded to business leaders' recommendations by creating a series of demand-driven training initiatives aimed at continuously improving the quality and availability of skilled workers.

Progress

- ◆ The Connecticut Business Training Networks program, launched in May 1999, has approved seven Business Training Networks to date.
- ◆ Four Secondary School Pilot Programs that began in the fall of 1999 are ending their first academic years with strong industry support and an enthusiastic response from students.
- ◆ A total of 192 students have now graduated from the Precision Machine Training Program that began in March 1998. More than 90 percent of graduates have already been placed in manufacturing jobs.

- ◆ The Office for Workforce Competitiveness (OWC) was created by the Governor in April of 1999. Its purpose is to more effectively connect the needs of employers with the state's educational, employment and training systems. This includes creating an information technology workforce development strategy, increasing the demand-driven orientation of the state's workforce development boards and initiating a range of incumbent worker training programs.

Challenge

Continue to build on the market-driven initiatives now underway, encourage business involvement and explore additional ways to ensure Connecticut employers have access to the pool of skilled workers necessary to business growth.

See following pages for details.

1. Connecticut Business Training Networks

There is a strong need for continuous training and education throughout an employee's career. The perception is that the private sector is not yet sufficiently motivated to become involved in shaping the training and education system. Businesses are normally uncomfortable about collaborating with their competitors. They are skeptical of government programs, controls, regulations and bureaucracies. They perceive the current system as supply-side-driven and thus not efficiently linked or tied to their needs.

The Connecticut Business Training Networks program, an initiative designed to overcome these impediments, was launched in May 1999. The program is managed by the Connecticut Business and Industry Association (CBIA), Connecticut's largest business service organization, in partnership with CERC, DECD and the Department of Labor.

The Connecticut Business Training Networks program affords small and mid-sized companies the opportunity to collectively define their workforce development issues and develop strategic solutions to address them. Grants are awarded to eligible networks in three phases – exploratory (\$10,000); developing (each of two years at \$25,000) and operational (\$25,000) – with the expectation that networks will become self-sustaining (funded by participating members).

Progress

◆ **Training Networks Established** – Applications for seven Business Training Networks have been approved. They are:

1. **Spring Training in Connecticut** – Five spring manufacturers in the Bristol area have formed a training network aimed at improving workers'

skill levels. They will identify mutual training needs, rank them in order of importance and investigate available training resources. DECD is providing a \$10,000 grant, and member companies are providing an in-kind contribution of \$15,650. The network has identified a consultant who is beginning preliminary curriculum development. The group is in the process of applying for a developing phase grant.

2. **Metals manufacturers Training and Education Alliance (META)** – Ten Bridgeport-area companies, primarily in the machine tool, tool-and-die and metal-fabrication industry, have formed this network. DECD is providing a \$10,000 grant. Member companies are investing a total of \$10,050 in cash and in-kind services. The network has completed training needs assessment surveys and interviews at all member companies and will issue an in-depth report in April. The network has formed three committees to work on joint purchasing, lean manufacturing and marketing. In addition, the group's cluster activation application has been approved by DECD.

3. **Housatonic Education for Advanced Technology (HEAT)** – This network comprises seven electronics manufacturing companies in the Danbury area. Member companies are matching DECD's \$10,000 grant with \$10,000 in cash and in-kind services. The network has been working with an outside consultant and has just submitted an extensive job profiling report. They have begun assessment of incumbent workers against job profiling skill standards. HEAT will soon apply for a developing phase grant.

4. **Fairfield County Information Technology Consortium** – Formed by eight IT companies in Fairfield County, this group met for the first time in January. The network has completed preliminary skills and job needs assessments at member companies. They are researching training and education vendors and programs in the Fairfield County region, and are about to complete their stated objectives. The network received a \$10,000 exploratory phase grant from DECD and provided a \$16,750 in-kind match.
 5. **Automotive Training Collaborative** – This network includes five automobile dealers east of Hartford. The group has completed national benchmark research, identifying requisite job competencies and a preliminary training curriculum. They have also completed a recruitment and marketing plan, and have received a developing phase grant. In the exploratory phase, the network matched DECD's \$10,000 grant with \$25,000 in in-kind services. In the developing phase, the group invested \$17,000 in cash and \$19,000 in in-kind services.
 6. **Upper Albany Business Training Network** – This recently awarded network comprising seven retail merchants in Hartford's North End, was formed to study training needs of its retail, wholesale and service member companies. They will also study the marketing needs related to the recruitment of workers and new businesses to the area. In addition, they will look at ways in which technology can enhance the competitiveness of their member companies and employees. The network provided an in-kind contribution of \$24,930 and received a \$10,000 grant from DECD for its exploratory phase.
 7. **Connecticut Association of Metal Finishers (CAMF) Training Network** – This network comprises six manufacturing companies located in Hartford, New Haven and Litchfield counties. They will conduct a job profiling analysis of common jobs in partnership with Naugatuck Valley Community College and with assistance from their trade association and CONN/STEP. They will then create skill definitions and an action plan. In addition to the \$10,000 DECD exploratory phase grant, the group has provided \$36,477 in in-kind services.
- ◆ A number of other groups are working to submit training network grant proposals. They include a second information technology group in Stamford and manufacturers in the New London/Norwich and Hartford areas.

Marketing - Ongoing outreach activities include:

- ◆ Meetings with employer-based organizations (e.g., chambers of commerce, professional organizations and business associations).
- ◆ Presentations at conferences, seminars and industry-sponsored meetings (14). The program was featured at a meeting of a multi-state training and economic development association in May.
- ◆ Visits with companies (28), educational institutions (6), associations and business and/or professional organizations (9).

Media Outreach - Media outreach has included:

- ◆ 14 additional articles in Connecticut newspapers, magazines and business journals.
- ◆ Additional radio coverage.

Network Support Activities

- ◆ Technical assistance/support by director to all existing networks.
- ◆ Attendance at all meetings of seven existing networks.
- ◆ Providing assistance to forming networks with the development process and grant applications.
- ◆ Ongoing research for vendors, training products and consultants (10 interviews of consultants) on behalf of current/future networks.

Action Steps

- ◆ Ongoing outreach activities to form additional training networks.

- ◆ Ongoing support of existing networks to enhance their effectiveness and ensure eligibility for additional grant funding.
- ◆ Efforts directed at identifying other resources to support the implementation of network training activities, including a partnership with the Office of Workforce Competitiveness to assist with support training efforts.

Long-Term Goals

As networks begin to make substantial progress in developing and implementing workforce development solutions, their work can be helpful to other networks as well as the community at large. Future plans include the creation of a Workforce Development Forum where networks will share their activities and findings

2. Secondary School Technical Education Pilot Program

The Manufacturing Cluster established a Secondary School Technical Education Pilot Program that links technical resources with the traditional high school experience.

The objective is to build a strong workforce by providing students with both strong academics and state-of-the-art technical training. The program will optimize successes by replicating and implementing “best practices” identified in the pilot programs throughout the state’s secondary school systems.

Timeline

October 1998	Request for Proposals
November 1998	10 proposals received
December 1998	Evaluation phase
January 1999	Announcement of awards 1. Northeastern Connecticut Manufacturing Initiative 2. Manufacturing Advanced Placement Program 3. Manufacturing Technology Cooperative 4. Windsor Public High School
September 1999	1st year of the programs
April 2000	1st year evaluation

Progress

Northeastern Connecticut Manufacturing Initiative

Tourtellotte High School/Ellis Technical High School, Danielson

This program established a strong relationship between the local comprehensive high school and vocational technical high school. The program attracted a high percentage of self-motivated students capable of completing the program requirements in two rather than three years and allowed students to participate in sports and other activities at their high schools.

- ◆ Five-member Industry Board established.
- ◆ 11 students enrolled in program.
- ◆ 20+ new company members have been recruited and have been instrumental in developing job shadowing opportunities for students within various manufacturing facilities, coordinating company tours and helping teachers to identify the technical, academic and employability skills that are needed on the job.
- ◆ Participating students have found this to be a positive experience and look forward to next year’s program.

Action Steps

- ◆ Establish summer internships.
- ◆ Provide students with more hands-on machining training.
- ◆ Recruit 10 new juniors for next year’s program.
- ◆ Secure funding to continue program for another year.

Manufacturing Advanced Placement Program (MAPP)

This program offers students from area towns the opportunity to attend Vinal Technical High School in Middletown for hands-on machine training. The program has industry support and a strong relationship with the Middlesex County Chamber of Commerce. A governing board was established. Marketing efforts have increased manufacturing exposure to students, who were recruited from math and science classes.

Progress

- ◆ The program is getting enthusiastic support from East Hampton High School.
- ◆ Positive student feedback. Students are promoting the program to their friends.
- ◆ A student stated that this program allowed him to gain knowledge in an area he really didn't know much about, and that he will probably continue to take industrial technology classes in college.

Action Steps

- ◆ Recruit 12 students from East Hampton High School and three from Portland High School.
- ◆ Reconfigure the logistics of the program to accommodate student scheduling.
- ◆ Investigate the feasibility of after school and summer programs to increase student hands-on machine training.
- ◆ Continue program into a third year.

Manufacturing Technology Cooperative

The program targets sixth, seventh and eighth graders, using the "World of Technology Lab" at Kennedy High School to expose students to manufacturing and create a pathway to Kaynor Technical School in Waterbury

Progress

- ◆ 57 students participated in one of three one-week programs. Students participated in three days of manufacturing, two days of drafting, and a field trip to a local manufacturer.
- ◆ The program successfully targets middle school students and exposes them to manufacturing careers.
- ◆ Very strong industry participation.
- ◆ Hired a program director to coordinate.

Action Steps

- ◆ Acquire 10-15 modules of the World of Technology Lab curriculum.
- ◆ Explore funding options for the following:
 - 1) expanding the middle school summer camp;
 - 2) accommodating increased enrollment among 11th and 12th graders; and
 - 3) providing more advanced technical training to 11th and 12th graders.

Windsor High School

The ninth through 12th grade program is supported by area industry, including several companies from the Aerospace Components Manufacturers Cluster. With the support of DECD, Windsor High School's program has been able to begin rebuilding the apprenticeship program with small and midsize companies in the region.

Progress

- ◆ Enrollment: 18 students in a double period and 12 students in a single period, for a total of 30 students.
- ◆ Students have the option of participating in the Mechanical Technology pre-apprenticeship, which rotates students in companies for work experience and results in 2,000 hours of training.
- ◆ Raised approximately \$31,000 in matching funds to help support the program.
- ◆ Strong industry relationship.

Action Steps

- ◆ Recruit 16 students into a double period for next fall.

3. Precision Machine Training Program

The Precision Machine Training Program was recommended by the Manufacturing Cluster and the MetroHartford Millennium Project to increase the quality and supply of trained students interested in pursuing manufacturing careers. The program was funded with \$1.6 million of private, federal and state funds.

The Machining Technology Center at Asnuntuck Community College is the official home of the Precision Machining Center, although coursework can be taken at Capital and Manchester Community Colleges. The center offers three types of programs: a six-month certificate (12 credits); a one-year certificate (30 credits) and a two-year associate's degree (66 credits).

Progress

The program has convened an industry governing board that has played a strong role in advising administrators regarding curriculum, assessment, equipment and supply needs, developing an apprenticeship component, recruiting students and marketing the program.

The program has implemented the National Tooling and Machining Association (NTMA) curriculum. Faculty has made adjustments needed to update some content aspects as well as to add CNC coursework, which is not covered sufficiently in the NTMA materials. Instructors have received professional development training on integrating the NTMA curriculum into classroom learning.

Student Statistics

Students graduating from program	192
Percentage of full-time students	88%
Ratio of new vs. incumbent students enrolled in program	65% vs. 35%
Students placed in manufacturing jobs	179
Average starting weekly wages upon entering jobs	\$525
Average duration of employment in first year	52 weeks
Students dropping out of program	48

The top five reasons for dropping out were:

- ◆ Job schedule conflicts
- ◆ Personal/family issues
- ◆ Financial hardship; program hours
- ◆ Need for credit instruction
- ◆ Illness

In response to these factors:

- ◆ Adjustments were made to allow for different class schedules.
- ◆ A job placement specialist has been assigned to identify part-time related employment during the program year.
- ◆ A 30-credit pathway program was established for those wishing to pursue additional education.

Action Steps

- ◆ Clarify the hiring needs of employers in the region to determine if the programs at Capital and Manchester should be expanded.
- ◆ Develop and enhance partnerships with secondary schools as part of a stepped up marketing and recruitment effort.
- ◆ Continue to develop an apprenticeship component to improve the quality of student skills.

4. The Office for Workforce Competitiveness

Like most other states, Connecticut's robust economy has presented new challenges in meeting business demands for skilled labor that will allow for continued economic expansion. The recovery from the recession of the early 1990s is complete and now Connecticut projects 55,000 job openings annually over the next six years. But prosperity is a double-edged sword: while there is near full employment in some regions of our state, the inability to fill needed positions threatens to stall out Connecticut's high-powered economic engine.

Progress

In April of 1999, Governor Rowland, by Executive Order, created the Office for Workforce Competitiveness (OWC) to assist in implementing the Workforce Investment Act of 1998 (WIA), the most sweeping federal legislation related to employment and training promulgated in two decades. WIA elevates the role of the governor, local officials and regional workforce boards in crafting employment and training programs.

Governor Rowland also created the JOBS Cabinet to be chaired by himself and the OWC Director Mary Ann Hanley. The JOBS Cabinet – comprised of the departments of Labor, Economic and Community Development, Education and Social Services, as well as the Office of Policy and Management, and the Community Colleges – develops policies that will make Connecticut the national leader when it comes to developing skilled labor. In addition, the governor appointed the Connecticut Employment and Training Commission (CETC), created in 1989, to serve as the statewide workforce investment board for the purposes of WIA.

OWC staff supports both the CETC and the JOBS Cabinet in their missions.

Integrating Economic Development and Workforce Development

The Governor's Council on Competitiveness and Technology has identified workforce development as one of the foundations necessary to spur cluster development. Industry leaders agree on two basic issues: Connecticut must have a highly qualified labor market in order to compete and grow; and, a critical need exists to continuously raise employee skills in order to become and remain competitive in the global marketplace.

The state's workforce investment system must be demand-driven and integrate economic development and workforce development. The efforts need to connect more closely the needs of employers with the state's education, employment and training systems. Demand-driven strategies, built around the concept of industry clusters, will increase the opportunities for direct employer participation as partners in workforce development, both locally and statewide.

Overall, industry must commit to a more sustained leadership role in the process. Economic growth for both employers and employees can be pursued through strategies that help companies find the qualified workers they need and upgrade the skills of their existing workers through training. At the same time, workers can find jobs and increase their skills and earning power.

To that end, the OWC staff – working with the CETC, state agencies and the regional workforce boards – developed the state's strategic five-year workforce investment plan required under WIA. That plan was presented to the governor and approved by the U.S. Department of Labor. It took effect July 1.

OWC also coordinated closely with and supported the eight regional workforce boards in developing their own one-year plans required under WIA that the

governor has approved. The boards were reorganized to have a majority of the members representing the private business community.

OWC has also contracted with CERC to administer and oversee a number of initiatives that focus on demand-driven strategies.

Employer One-Stops

OWC, along with CERC and DECD, is designing employee One-Stop Centers that will serve as central points for coordinating, integrating and marketing employer-driven programs and resources within each regional area of the state. OWC is identifying best practices used in other states to establish appropriate core services, to link education and resources, and to increase employer participation in workforce development. Direct contact will be made with employers to assess service needs. The employer One-Stops will be located within, or fully integrated with, the Workforce Development Board One-Stop Centers for employees.

Information Technology and Workforce Development

Labor market analysis indicates that by 2006, more than half of the jobs in Connecticut will be directly related to information technology or rely significantly on the use of technological information. The OWC, under House Bill 5737, has been directed to produce a strategic long-range workforce development plan that addresses the needs of electronic commerce and information technology companies. The working group includes numerous public and private sector entities. A planning structure must be in place in July, and the report is due in October.

The report will include a forecast of employers' demands as well as ways to generate enough qualified graduates to fill projected job openings, including scholarship programs, loan reimbursements and internships.

Skills, Competencies and Credentialing

Annual job growth is expected in the fields of professional/technical and service workers, particularly the financial services, health and computer-related fields. Skilled production, construction and vocational areas also will be in high demand due to a low supply of workers. To meet these demands, Connecticut must become technologically literate and develop industry-based skill certification.

OWC is identifying best practices in order to design innovative pilot programs to meet these growing demands. Employers and industry groups will assist in developing industry-acceptable certification procedures, with simplified processes and broadly recognized documentation, in one or more industry clusters.

Incumbent Worker Training

The OWC has targeted \$500,000 to implement an Incumbent Worker Training Plan that features a training program for companies with 50 employees or less. This innovative pilot is directed at 12 specific cluster-related industries, including insurance, transportation, instruments and electronics. Employers will define the individual training programs for existing workers. The funding for this pilot will be between \$25,000 and \$75,000 and will require a 50 percent match in cash or in-kind services. The partners involved in this collaborative effort are the departments of Labor and Economic and Community Development, CERC and CBIA.

D. Bradley International Airport

Executive Summary

Importance to Connecticut's Competitiveness Strategy

Connecticut's economic success over the coming decades depends heavily on Bradley International Airport becoming a truly world-class air transportation facility and commercial enterprise. Connecticut can hope to compete successfully in retaining and attracting high-growth companies if it can offer such a world-class transportation hub for both passengers and cargo. In addition, competition among airports in the Northeast has increased. Many airports and governing authorities have recognized their importance to economic development and have aggressively upgraded and marketed their facilities. Cluster leadership recognized this situation and, for two years, has carefully reviewed Bradley's competitive position.

Progress

- ◆ Three detailed studies of Bradley were conducted between November 1998 and December 1999 by airport management experts Frasca & Associates, Schiphol Project Consult and Michael Gallis.
- ◆ The studies indicated that while Bradley did many things very well, it was not yet a world-class facility, nor did it have in place the comprehensive vision and strategy needed to realize its full economic potential.
- ◆ In December 1999, the Governor's Council on Economic Competitiveness and Technology created a special Bradley Advisory Committee to rapidly consider all the options being proposed for a new vision and governance structure for Bradley.
- ◆ In May 2000, the Leadership Committee of the Governor's Council considered the Advisory Committee's findings and recommended to Governor Rowland and legislative leadership:
 1. The creation of a Bradley Board of Directors comprised of business leaders, community representatives and the DOT and DECD commissioners; and
 2. The implementation of one of two governance options:
 - a. unique public-private partnership; or
 - b. an Airport Authority
- ◆ On May 16, Governor Rowland issued Executive Order No. 18, creating a Bradley International Airport Executive Council to be chaired by the Commissioner of the Department of Transportation and to consist of six public members appointed by the governor. The council's responsibilities will include:
 1. Advising the governor on issues relating to the future of Bradley
 2. Establishing a long-term strategic plan for Bradley
 3. Developing a master plan for growth
 4. Creating a business plan focused on best practices, commercial opportunities, revenue enhancement and customer service
 5. Developing a marketing plan to increase passenger and cargo volume
 6. Establishing capital and operating budgets
 7. Assembling a management team accountable for operating results

Bradley International Airport

The order calls for the termination of the council on December 31, 2001.

- ◆ The Legislature's joint Program and Review Committee is simultaneously doing an in-depth study of both DOT's and Bradley's strategies and management structure.

Challenge

With the construction of the new garage and terminal soon underway, and the introduction of the rapidly growing Southwest Airlines, Bradley is in a sharp expansion mode. The challenge will be how to successfully manage these, keep the positive momentum going and, at the same time, carefully consider the changes that will be recommended by the Bradley Executive Council and legislative committees.

E. Connecticut Inner City Business Strategy

Executive Summary

Importance to Connecticut's Competitiveness Strategy

Connecticut's ongoing prosperity depends on the revitalization of the state's distressed urban areas. Realizing the economic potential of our inner cities is the role of Connecticut's Inner City Business Strategy, which was launched in May 1999.

The mission of the Connecticut Inner City Business Strategy is to increase income, wealth and employment opportunities for inner-city residents. This initiative differs dramatically from anything Connecticut has ever before undertaken. Sophisticated and data-driven, it drew on the collective energies and talents of hundreds of business, civic and community leaders as well as inner-city residents, and resulted in a three-year plan to make inner cities, their residents and their businesses more competitive.

Progress

- ◆ On May 16, Governor Rowland announced that the state was committing \$5 million to fund initiatives recommended by the Inner City Business Strategy Initiative. In addition, Webster Bank agreed to make a \$1 million investment to the Community Economic Development Fund to provide loans for small business development in the inner cities, and Fleet Bank pledged an additional \$200,000 to fund technical-assistance efforts primarily for supporting inner city entrepreneurs.

- ◆ Five cities were originally targeted by the initiative: Bridgeport, Hartford, New Britain, New Haven and Waterbury.
- ◆ Teams of local business and community leaders conducted detailed studies to gather facts, identify key clusters and develop market-based strategies.
- ◆ Teams published recommendations for city-specific and statewide strategies to foster economic competitiveness in the inner cities.

Challenge

To stimulate the continued commitment, enthusiasm and collaboration necessary for implementation of the three-year action plan.

Connecticut Inner City Business Strategy

Background

In the spring of 1999, the Governor's Council on Economic Competitiveness and Technology and DECD launched the Connecticut Inner City Business Strategy Initiative in partnership with Professor Michael Porter of the Harvard Business School and his nonprofit corporation, Initiative for a Competitive Inner City (ICIC). Cities targeted for the initiative were Bridgeport, Hartford, New Britain, New Haven and Waterbury.

The Connecticut Inner City Business Strategy differs radically from previous efforts to revitalize urban areas. It addresses the inner city from an economic perspective, focusing on each city's economic potential and competitive advantages. It concentrates on creating businesses and job opportunities in the inner city by leveraging the industry clusters in the region.

More than 200 business, civic and community leaders from the five cities were mobilized to work in collaborative teams. A corporate leader in each city served as that city's "champion," guiding the work of the team and serving as spokesperson. Champions were:

- Bridgeport - Mickey E. Herbert, CEO & President, Bridgeport Bluefish
- Hartford - Art Marquardt, President & CEO, CTG Resources
- New Britain - Gregory Howey, President, OKAY Industries
- New Haven - Nathaniel D. Woodson, CEO & President, United Illuminating Company
- Waterbury - Frederick Luedke, President, NEOPERL, Inc.

Each team completed a disciplined, data-rich benchmark study of its inner city which:

- ◆ Identified each inner city's geographic, economic and demographic characteristics.
- ◆ Compiled information on all economic development programs affecting each inner city.
- ◆ Identified the clusters with the greatest potential for growth in each region.
- ◆ Identified each inner city's key strengths and weaknesses as a place to do business.
- ◆ Outlined strategies for capitalizing on strengths and dealing with real and perceived disadvantages.

Action Steps

In April, ICIC and DECD published detailed reports with the recommendations of the inner-city teams. These six reports – one for each of the five cities and one statewide summary – set forth a three-year action plan for achieving business growth in the inner cities. The action plan outlines specific strategies that will result in more competitive inner cities, inner-city residents and inner-city businesses.

The State of Connecticut, through DECD, has committed \$5 million to fund initiatives outlined in the final recommendations. Webster Bank will invest \$1 million in the Community Economic Development Fund (CEDF), which will provide loans to small, inner-city businesses. Fleet Bank will provide an additional \$200,000 to fund technical assistance efforts recommended in the reports.

By fully funding and implementing the three-year strategy, Connecticut can:

- ◆ Prepare over 2,000 inner-city residents to compete for high-skill jobs with strong career paths.

Connecticut Inner City Business Strategy

- ◆ Support and accelerate inner-city business growth and attract new businesses to urban centers.
- ◆ Develop a cadre of 500 new inner-city entrepreneurs poised to take on new business opportunities.
- ◆ Solidify ties between business, government, and nonprofit leaders and build the institutional infrastructure needed to promote and sustain long-term business development.
- ◆ Fundamentally alter the opinions and attitudes of customers, investors, business professionals and inner-city residents regarding opportunities in Connecticut's inner cities.

Progress

Teams recommended both statewide and city-specific strategies for inner-city business growth.

Statewide

State initiatives focus on bolstering the three building blocks of inner-city economies:

1. Competitive urban businesses: developing a base of strong and growing businesses.
2. Competitive cities: developing a business environment that facilitates growth.
3. Competitive inner-city residents: developing a workforce prepared to compete in the New Economy and a pool of entrepreneurs prepared to take advantage of new economic opportunities.

Initiatives Funded

Combined action plans from the five cities call for more than 30 initiatives and public-private partnerships. Initiatives already approved for funding include:

A multi-faceted strategy for tapping the potential of Connecticut's inner cities



Connecticut Inner City Business Strategy

- ◆ \$50,000 apiece for the Community Economic Development Initiative in New Haven and the South Arsenal Neighborhood Development (SAND) initiative in Hartford. The money will enable these organizations to create unique job readiness programs – based on the successful STRIVE model – to help inner-city residents prepare for and succeed in the workplace.
- ◆ \$125,000 for the Metals manufacturing Education and Training Alliance (META) to foster growth in the important metals manufacturing cluster being created in Bridgeport.
- ◆ \$50,000 for a regional health care training center in New Britain, to capitalize on one of that city's core strengths.
- ◆ \$50,000 to enable Waterbury to expand its successful Spanish-speaking entrepreneurial education project, conducted by the Small Business Development Center.

Goals

The more than 200 leaders throughout the state who participated in the Inner City Business Strategy Initiative have produced a unique, multi-faceted statewide strategy for building healthy inner-city economies and promoting opportunities for inner-city jobs, income and wealth creation.

By taking decisive action to implement this strategy, the state can achieve dramatic results and go further than any other state has gone in advancing the economic prosperity of its residents. Critical next steps include:

- ◆ Identifying recommendations that can go forward.
- ◆ Identifying additional sources of funding.
- ◆ Establishing project management teams to implement recommendations in each city.
- ◆ Preparing legislation to promote inner-city business growth and workforce development efforts.
- ◆ Developing a communication strategy aimed at existing inner-city businesses, prospective businesses, inner-city residents and other key audiences.
- ◆ Continuing the broad-based public-private partnerships the strategy gave rise to in each of the five cities.

F. Regulatory Environment

Executive Summary

Importance to Connecticut's Competitiveness Strategy

Small and mid-sized companies are vital to a strong economy. Requirements that are cumbersome, confusing and costly hinder their growth and competitiveness. Streamlining the regulatory environment is an important issue area outlined in the *Partnership for Growth report*.

Smart Start, the business registry service initiated by OPM and DECD and overseen by CERC, has been instrumental in guiding new and expanding businesses through the regulatory process.

A service launched in September 1998, Smart Start simplifies the registration process by:

- ◆ Outlining the registration needs for business entities.
- ◆ Helping the new or expanding business owner complete the registration forms accurately and submit them to the appropriate agencies.
- ◆ Collecting agency fees in one check.

Progress

- ◆ Smart Start staff has:
 - Had 402 appointments
 - Provided assistance to an additional 1,611 individuals and businesses

- Handled more than 971 phone inquiries
- Experienced a steady increase in the number of Internet inquiries
- Expanded into Bridgeport, with a registration specialist available every Wednesday
- ◆ State agencies have reduced the number of licenses, permits and registrations required.
- ◆ Agencies are improving customer service and making forms available on the Internet.

In addition, the following community relations efforts are being made:

- ◆ Disseminating success stories and news (e.g. Bridgeport expansion) to the press.
- ◆ Developing a newsletter for legislators.
- ◆ Working with the Film Office to assist more new businesses with registration.
- ◆ Promoting Smart Start at networking functions and speaking engagements.
- ◆ Making presentations to the Entrepreneurial Center in Hartford and Bridgeport and to a number of chambers of commerce.
- ◆ Included in a video for libraries made by the Permanent Commission on the Status of Women.
- ◆ Attending events such as the Southern Connecticut Business Expo, Women Entrepreneur Day and Minority Business Showcase.

Regulatory Environment

Action Steps

Smart Start continues to expand and is now looking at opportunities in other Connecticut cities.

Challenge

The groundwork has been laid, but much more must be done to reach the goal of creating a competitive, efficient and flexible regulatory environment. Changing the front end of the process to be more customer-friendly and responsive is an important first step. However, real success will come only if the agencies requiring licensing and permits streamline their processes and reduce the time involved.

Executive Summary

Importance to Connecticut's Competitiveness Strategy

Connecticut needed a cohesive, sustained and consistent promotional effort in order to capture the attention of key audiences in today's aggressive and competitive global environment. Connecticut has a superior location and many other unique advantages that have begun to be leveraged through marketing campaigns run under the state's new positioning line, *You Belong in Connecticut*.

One of those key audiences, of course, is business. To retain and attract companies in a strong economy, the state must be able to respond quickly to inquiries. A Business Action Team was formed in September 1999 to bring together representatives from DECD, CDA, CERC and a myriad of economic development, regulatory, financing, training and other state and local resources. To better Connecticut's recruitment, retention and expansion efforts, the team must enhance the state's responsiveness to business and continuously improve delivery of the state's economic development programs and services.

Progress

- ◆ First *You Belong in Connecticut* campaign – promoting Connecticut as an attractive place for high school students, college students and young professionals – resulted in nearly 3,000,000 impressions and won two prestigious awards.
- ◆ Second *You Belong in Connecticut* campaign, aimed at Connecticut employers, ran from March through May 2000.
- ◆ The BioScience Cluster used *You Belong in Connecticut* as the tagline in their business retention campaign.
- ◆ *You Belong in Connecticut* web site has garnered more than 2 million hits since July 1999.
- ◆ Completed in-depth analysis of web opportunities with Arthur Andersen.
- ◆ Media outreach continues to support all marketing efforts and to sustain awareness.
- ◆ Partners continue to volunteer and to be identified in helping place the *You Belong in Connecticut* logo in prominent locations. Some examples include Coca-Cola, SNET, Webster Bank, the Department of Higher Education and the Waterbury Chamber of Commerce.
- ◆ Two commercials featuring Governor Rowland were filmed and will air on time donated by Cablevision, CDA and DECD.
- ◆ The Business Action Team identified public and private organizations involved in business recruitment and expansion and structured a plan to coordinate efforts.
- ◆ Held 13 interagency meetings to acquaint agency heads, commissioners and others with the Business Action Team process and objectives.
- ◆ Recruited team members with the background and experience necessary to support all phases of business development.
- ◆ Conducted two European visits to generate business interest in Connecticut.
- ◆ Currently managing more than 60 domestic and international prospects and clients.

Marketing

Challenge

- ◆ Generate the resources needed to sustain a comprehensive, long-term promotional effort.
- ◆ Build on groundwork being laid by the targeted campaigns that are currently underway or in the planning stages.
- ◆ Accelerate the marketing of clusters as the foundation of the state's economic development strategy to generate awareness, support and involvement.
- ◆ Keep people informed and involved in clusters through emphasis on public relations, events, limited advertising and direct mail.
- ◆ Involve additional state, local, regional and private resources in the Business Action Team.
- ◆ Continuously improve the team's ability to identify opportunities and respond effectively to business needs.
- ◆ Ensure that agency staff and other economic development organizations receive necessary training.

See following pages for details.

1. You Belong in Connecticut

A key finding of the industry clusters' Marketing Advisory Board was the recognition that in this aggressive and competitive global environment Connecticut needs a more cohesive, sustained and consistent promotional effort.

Connecticut has a superior location and numerous other unique advantages. Yet the state's image has not been fully leveraged, due in part to multiple slogans over recent years – from "The Land of Steady Habits" and the "Nutmeg State" to "The State That Thinks Like a Business" and "Connecticut – Where Technology's Going."

Connecticut needs a unifying, sustainable image that articulates and answers the question: "Why should I be here?"

It will take some time to generate the resources needed to sustain a comprehensive, long-term promotional effort. The groundwork is being laid by the targeted campaigns currently underway or in the planning stages.

We must accelerate the marketing of clusters as the foundation of the state's economic development strategy to generate awareness, support and involvement. Emphasis on public relations, events, limited advertising and direct mail will help to keep people informed and involved.

Progress

You Belong in Connecticut, the positioning created for the state by the Marketing Advisory Board, is now in use. The tag line was chosen for its ability to work as an umbrella message for multiple, targeted campaigns. *You Belong in Connecticut* is target-focused,

promotes feelings of being wanted and being able to make a difference, works for in- and out-of-state targets, and is proud and positive about the state.



First You Belong in Connecticut Campaign

Over the summer of 1999, the first *You Belong in Connecticut* campaign, designed to address workforce development issues, successfully reached high school students, college students and young professionals. Overseen by CERC and CRN International, the campaign focused on informing Connecticut's young people about educational and business/job opportunities, as well as entertainment/recreation activities and quality of life.

The campaign resulted in almost 3,000,000 impressions. It consisted of:

- ◆ Radio advertising and programming.
- ◆ Outdoor ads (billboards, bus cards, aerials).
- ◆ Merchandise (t-shirts, hats, lanyards, Frisbees and beach totes).
- ◆ Events, including a college fair and Big E booth.
- ◆ A web site.
- ◆ A full public relations complement to the campaign, which resulted in numerous media placements.

Web Site – The web site has been an important medium for reaching the target audience of our first campaign. Statistics for mid-July 1999 through June 2000 are listed below:

youbelonginCT.com

Month	Hits	Visits	Unique Visitors
July	63,969	4,318	1,844
August	111,538	6,315	3,011
September	250,997	13,063	7,164
October	218,373	6,472	11,878
November	174,853	5,854	10,748
December	143,864	4,995	9,773
January	186,684	6,109	11,848
February	150,671	5,169	10,518
March	188,484	6,271	13,743
April	204,160	6,369	14,382
May	228,071	6,329	18,313
June	217,599	6,294	16,271

Media and Corporate Support of Campaign – The first *You Belong in Connecticut* campaign garnered strong support from media outlets and the business community, with radio stations providing extra air time, and partners featuring the logo on their materials.

Awards Garnered – The Connecticut Chapter of the American Marketing Association bestowed the Mark of Excellence Award in the “Guerilla Marketing” category on the first *You Belong in Connecticut* campaign, praising it for making a big impact with a small budget. The Connecticut Valley Chapter of the Public Relations Society of America presented the campaign with its Silver Mercury Award in the category of “Public Affairs/Community Relations by/for Non-Profit Organizations.”

The BioScience Cluster Campaign – Using *You Belong in Connecticut* as a tagline in its radio advertising and other marketing materials, the BioScience Cluster ran a successful marketing campaign in January 2000.

Business-Oriented Campaign Launched – The second *You Belong in Connecticut* campaign got underway in March 2000. This time, the state’s 160,000 businesses were targeted with messages about the significant improvements made in Connecticut’s business climate and the many advantages of doing business in the state. The campaign, which ran from through the end of May, included:

- ◆ Radio advertising
- ◆ Expanded web site content
- ◆ Direct mail, which is ongoing
- ◆ Tie-ins to marketing campaigns from state agencies and other Connecticut organizations
- ◆ A television commercial to run in Fairfield, Litchfield and New Haven counties
- ◆ A sweepstakes with business-oriented prizes

Second Youth-Oriented Campaign Planned –

A smaller version of the 1999 summer campaign will launch in July 2000 and again target high school students, college students and young professionals.

Web Site Analysis – With the assistance of Arthur Andersen, opportunities for www.YouBelongInCT.com were examined. To create a content-driven Connecticut web site aimed at a broad user base – including the initial youth and business campaign targets – *You Belong in Connecticut* will require significant attention and investment. [YouBelongInCT.com](http://www.YouBelongInCT.com) will continue to serve as a portal for businesses and youth/workforce and support the economic development, recruitment and retention activities of the state.

2. Business Action Team

The goal of the Business Action Team is to expedite problem solving and decision-making among state agencies that impact high-profile economic development projects or business issues relating to recruitment, retention and expansions.

Progress

- ◆ The roles and responsibilities of the Business Action Team have been defined and a project management process has been selected. Each participating agency has identified a staff member who will serve on the team. All team members have the necessary credentials and business experience to support all phases of business recruitment and development.

- ◆ DECD has begun implementing the interagency component of the Business Action Team plan.
- ◆ The two European visits in 1999 have resulted in four joint ventures, three companies establishing a presence in Connecticut and 22 new prospects.
- ◆ Currently managing more than 60 domestic and international recruitment prospects.

Action Steps

- ◆ Convene a meeting of the interagency contacts and the team to identify streamlining opportunities and areas of improvement within each agency.
- ◆ Coordinate interagency cross training

Executive Summary

Importance to Connecticut's Competitiveness Strategy

To compete and prosper in an increasingly global economy, Connecticut companies must seek out new markets and establish strategic partnerships in locations worldwide. The state provides resources, guidance and networking opportunities to help state companies take the steps necessary to engage in international trade.

Progress

- ◆ Trade representatives are now in eight key markets worldwide.
- ◆ DECD trade specialists fielded an average of 200 commercial inquiries each month.
- ◆ Staff made 133 on-site company visits, took part in six protocol engagements with foreign and U.S. business leaders and government officials, presented three export seminars, and made five presentations to professional and trade organizations.
- ◆ Foreign Direct Investment (FDI) initiatives during this period have resulted in one relocation, one expansion and three joint ventures between German and Connecticut companies.

- ◆ Sponsored a forum on South African business opportunities.
- ◆ Sent delegation to National Summit on Africa in Washington, D.C.
- ◆ Sponsored International Matchmaking Event at COMDEX.
- ◆ Planned and implemented a recruiting mission to Germany.

Challenge

Help more Connecticut companies take advantage of international trade opportunities.

Follow-up on investment leads generated through discussions with overseas delegations.

See following pages for details.

International

Progress

- ◆ **Trade Representatives** – DECD now has Trade Representatives in eight markets: Sub-Saharan Africa, Mexico, Brazil, Argentina, Israel, Germany, Turkey and China. In order to strengthen and intensify Foreign Direct Investment (FDI) initiatives, a European Trade and Recruitment Representative was established in Stuttgart, Germany.
- ◆ **Federal Direct Investment Initiatives** – These initiatives have resulted, this period, in one relocation from overseas, one expansion and three joint ventures between German and Connecticut companies.
- ◆ **Outreach Efforts** – DECD's trade specialists fielded approximately 200 commercial inquiries per month and have continued their networking activity. Staff engaged in 133 on-site company visits, six protocol engagements with U.S. and foreign government officials and business leaders, and presented 34 export seminars for small to midsized businesses. Additionally, they made six presentations to various professional and trade associations.
- ◆ **South African Business Opportunities** – Held a forum addressing social, political, economic and trade developments in South Africa, featuring a luncheon speech by Council General Thami Ngwevela. South Africa is viewed as the gateway to the 700 million consumers on the continent.
- ◆ **National Summit on Africa** – A 20-person Connecticut delegation, including several members of DECD's Africa Trade Advisory Committee, attended the National Summit on Africa in Washington, D.C. in February. More than 6,500 people attended the event. The Connecticut delegation was instrumental in creating the "National Policy Plan of Action of U.S.-Africa Relations into the New Millennium," which was finalized at the summit.
- ◆ **Multi-State and Regional Cooperative Efforts** – DECD continues to support these efforts through participation in the Eastern Trade Council (ETC) of the Council of State Governments Eastern Regional Conference. The ETC serves as a catalyst for public-private sector regional cooperation in export trade promotion, and its members include the 10 Northeastern states. Also, DECD has increased its involvement in NASDA's International Division and is currently participating in drafting the first strategic plan.
- ◆ **International Matchmaking at COMDEX** – In the fall of 1999, DECD sponsored an International Matchmaking Event at COMDEX, the premier information technology trade show. The event was held in Las Vegas. Under the auspices of NASDA, 14 state development agencies have joined forces to help companies from their respective states maximize their international sales potential through domestic trade show participation.
- ◆ **Baden-Württemberg Initiative** – DECD, in conjunction with CDA, planned and implemented a recruiting mission to Germany to follow up on many of the investment leads generated by the Baden-Württemberg visit to Connecticut. More than 80 German companies participated in the recruiting program.
- ◆ **Missions Planned** – DECD plans trade missions to China, Germany, Ireland and Africa later this year.

I. Legislation

Executive Summary

Importance to Connecticut's Competitiveness Strategy

Vibrant industry clusters can develop and flourish only where public policy creates an environment conducive to business growth. State government is acting in the best interests of all Connecticut residents when it crafts public policies designed to attract and retain entrepreneurial and innovative businesses and startups.

Business leaders themselves are in the best position to craft legislative agendas designed to foster a strong business climate.

Progress

- ◆ Legislation recommended by Connecticut business leaders and passed by the General Assembly in 1998 improved Connecticut's business climate and laid the groundwork for future initiatives. The 1998 Cluster Bill extended the six percent R&D tax credit to smaller companies and allowed companies to carry R&D tax credits forward for 15 years.
- ◆ During the 1999 legislative session, the General Assembly enacted Public Act 99-173, industry cluster legislation that will help create jobs and increase the gross state product by \$84.7 million over 10 years.

- ◆ Key elements of the legislation include:

1. An R&D tax credit exchange that clearly establishes Connecticut as a state friendly to high-tech business growth.
2. A provision that puts Connecticut on par with 30 other states by allowing small companies to carry forward net operating losses for 20 years, instead of five.

- ◆ With enactment of these laws, Connecticut has created a competitive R&D environment that encourages business growth.

Challenge

The Governor's Council, state agencies, cluster organizations, business organizations and others must continue to work together to propose and support legislation that enhances Connecticut's competitive position in the global economy, making the state attractive to entrepreneurial and innovative organizations.

Appendix

Governor's Council on Economic Competitiveness and Technology

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Governor's Council on Economic Competitiveness & Technology

Mission

Make Connecticut a prime location in which to start or grow a business, and create secure, fulfilling and well paid career opportunities

Promote innovation, productivity and competitiveness through industry cluster economic development

Act as a vehicle and voice to put forward the views and suggestions of industry clusters that are created

Oversee the implementation of the cluster recommendations in the Partnership for Growth report.

Structure and Responsibilities

Governor's Council

The Governor's Council is co-chaired by the Governor and a prominent business leader. The Governor appoints members of the Council. It consists of business and legislative leaders, along with top executives from academic and medical institutions, organized labor, non-profit organizations, and key government agencies.

Two meetings will be held each year, with the option of additional special sessions. One meeting will be held prior to each General Assembly session, and the second meeting will be held during or shortly after the close of each session. Only Council members can attend these meetings.

Executive Committee

The Executive Committee is made up of the co-chairs and vice chairs. Vice Chairs will represent different industries and geographic areas of the State.

Cluster Leadership Committee

The Cluster Leadership Committee consists of the Executive Committee members and the chairs of the Industry Clusters, and Economic Foundation and Issue Advisory Boards. Its responsibility is to provide ongoing guidance and support to the Governor, legislative leaders, and the Commissioner of the Department of Economic and Community Development in their attempts to improve Connecticut's competitiveness.

Economic Foundation and Issue Advisory Boards

Economic Foundation and Issue Advisory Boards are created by the Governor's Council in order to:

- further research key issues identified as constraints to business competitiveness in Connecticut;

- develop strategies to implement recommendations put forward by industry clusters to overcome major impediments to their success; and

- identify methods of assisting government agencies in effectively responding to the needs of Connecticut's businesses and citizens.

Membership on the Economic Foundation and Issue Advisory Boards can consist of a wide cross-section of Connecticut stakeholders. They will be people whose knowledge and influence can help shape and implement cluster priorities, and bring about constructive change in these areas.